Employees’ Knowledge of Corporate Social Responsibility Concept and Activities: The Case Study of Frauenthal Automotive Toruń

DOI: http://dx.doi.org/10.12775/JCRL.2017.017

MICHAL JAGIELSKI\textsuperscript{a}, PATRYK JAKUB TACIAK\textsuperscript{b}

\textsuperscript{a} The Faculty of Economic Sciences and Management, Nicolaus Copernicus University in Toruń, Poland
e-mail: michal.jerzy.jagielski@gmail.com
\textsuperscript{b} The Faculty of Economic Sciences and Management, Nicolaus Copernicus University in Toruń, Poland
e-mail: taciak.patrykjakub@gmail.com

Abstract: The aim of the paper is to investigate the level of employees’ knowledge of socially responsible activities and CSR approach in Frauenthal Automotive Toruń (FTO), one of the local companies, which tries to be socially responsible for all of its stakeholders. The reason of conducting the study is a desire of verification if employees understand and know about company’s CSR projects. In order to achieve the aim of the paper, the following objectives have been set: (1) to discuss various approaches to define corporate social responsibility (CSR); (2) to present the possible types of socially responsible activities towards employees; (3) to measure and analyse whether FTO employees know the concepts of CSR, sustainable development, stakeholders and how they perceive the ideas of corporate social responsibility in the environment they work in. The analysis is based on the findings from the questionnaire survey in FTO operating in Toruń, Poland.
1. Introduction

In recent years, the activities in the field of social responsibility have become more and more common in a way that organisations conduct their businesses (Karaszewski and Lis, 2014, p. 56). More often, enterprises are aware that the image of a socially responsible company currently has a strategic importance. Firstly, because companies have to compete for customers and they see it can be for them a source of developing competitive advantages. Secondly, they have to face growing and at the same time dynamically changing expectations of a wide range of their stakeholders (Matten and Moon, 2008, p. 408).

The researches show that the companies focus their social responsible activities mainly on customers, because it increases customers’ satisfaction and generates positive company’s assessments by customers (Luo and Bahattacharya, 2006, p. 3). At the same time, the employees are still a group of stakeholders, which plays a pivotal role for the company’s success (Turoń, 2016, p. 39). However, in many companies, CSR activity towards this group remains underestimated (Burton and Goldsby, 2009, p. 150). Meanwhile, due to a strategic role of employees, corporate social responsibility should mainly focus on meeting needs and expectations of employees (Turoń, 2016, p. 42). The employees’ effectiveness and a level of their involvement, but also the degree of their identification with a company largely depend on the way they are treated, whether their rights are respected, what principles the personnel policy in a company is based on. Available studies show that implementing socially responsible activities in a company has an impact on increasing employees’ motivation and productivity. At the same time people want to work for a company more willingly (Burton and Goldsby, 2009, pp. 151–152). In addition, being socially responsible towards their employees companies are usually more ethical and workers’ rate of
absenteeism and turnover decrease. As it is presented, corporate social responsibility towards employees has a positive impact on companies’ condition and on the results, they achieve (Żychlewicz, 2014, p. 92).

The aim of the paper is to investigate the level of employees’ knowledge of socially responsible activities and CSR approach in Frauenthal Automotive Toruń (FTO), one of the local companies, which tries to be socially responsible for all of its stakeholders. The reason of conducting the study is a desire of verification if employees understand and know about company’s CSR projects. In order to achieve the aim of the paper, the following objectives have been set: (1) to discuss various approaches to define corporate social responsibility (CSR); (2) to present the possible types of socially responsible activities towards employees; (3) to measure and analyse whether FTO employees know the concepts of CSR, sustainable development, stakeholders and how they perceive the ideas of corporate social responsibility in the environment they work in. The analysis is based on the findings from the questionnaire survey in FTO operating in Toruń, Poland. FTO is selected as the unit where the survey is conducted due to its socially responsible approach to employees, what is confirmed by previous studies.

2. The idea of corporate social responsibility

The concept of corporate social responsibility relates to various scientific disciplines, including sociology, economy and philosophy (Karaszewski and Lis, 2014, p. 56) but it finds its main place in management sciences. Modern companies perceive the importance of socially responsible behaviours as a source of raising financial profits, they define strategies describing their relationships with stakeholders, local community and often by conducting environment friendly activities (Księżak, 2016, pp. 54–56).

Corporate social responsibility is a concept that leaders in modern business world face every day. The main reason that many companies decide to conduct socially responsible activities is the desire of improving their images and positions on a market they compete. A necessary approach in this case is developing a long-term thinking aimed at creating conditions that can help companies to develop and embed the corporate social responsible idea to company’s strategy (Bartkowiak, 2011, pp. 18–19).
Corporate social responsibility is comprehensively defined, and various approaches to this concept can be found in the available literature (Nakonieczna, 2008, pp. 19–21). For instance, the World Business Council for Sustainable Development treats society responsibility as the ethical behaviour of a company towards society involving constant business engagement. The companies conduct ethical activities and contribute to economic development by improving life of employees and their families, as well as the local community and the whole society (Skrzypczyńska, 2013, pp. 261–286).

Davis and Blomstrom describe social responsibility as the management’s obligation of making that kind of decisions and actions that give the profits for both a company (by multiplying the profit of an enterprise) and a society (by protecting and multiplying of social well-being) (Davis and Blomstrom, 1975, p. 6). This definition includes two approaches to the CSR concept: active and passive. An active approach is manifested by socially responsible activities and active prevention of these activities which can violate social ethics. A passive approach is connected with the degree of awareness that the socially irresponsible activities should be avoided by companies (Rybak, 2004, pp. 28–29).

Corporate social responsibility is company’s voluntary obligation. The goal of its implementing is to improve the prevailing relations with stakeholders or macro-environment of a company (Dymowski, 2014, p. 22). Starting from the World Economic Forum in Davos, 1999, the CSR concept has been considered in a wider context (Ratajczak and Wołoszyn, 2011, p. 151). The following ten principles are the fundamentals of the CSR concept (Bartkowiak, 2011, pp. 20–21):

1. supporting and respecting human rights accepted by the international community;
2. eliminating all accidents of human rights violations by the companies;
3. respecting freedom of association;
4. eliminating all forms of labour force;
5. abolishing child labour;
6. counteracting discrimination in an employment sphere;
7. implementing a preventive approach to the natural environment;
8. undertaking initiatives aimed at promoting ecologically responsible behaviours;
9. implementing and promoting environmental friendly technologies;
counteracting corruption in all forms, including extortion and bribery.

The above-mentioned principles relate to problems that appeared at the end of the 20th century and they are currently observed in the business. The dynamically developing globalization processes, as well as changing legal regulations, result in a faster and more effective transfer of information between society and a company (Żychlewicz, 2014, pp. 85–87). This leads to the situation that enterprises are not able to hide their unethical activities. The employees, customers and other stakeholders make pressure on a company to respect also their needs and expectations (Chojnacka and Wiśniewska, 2017, p. 4). The negative assessment of the company’s activities from the perspective of their customers can have dramatic consequences for a company (Mazurek-Łopacińska and Sobocińska, 2009, p. 473). An example of unexpected behaviour may be a discrimination in the sphere of employment. Analyzing the problem, it can be noticed that in conditions of fierce competition in a difficult economic market, the intangible assets of a company are very important. Humanitarian and fair treatment of employees and good reputation of a company may be listed among such intangible assets (Zbiegień-Maciąg, 1996, pp. 82–96).

According to Karnani, the contemporary literature about CSR concept shows many positive connections between CSR and profitability. It means that socially responsible companies are also more profitable (Karnani, 2012, p. 9). Similarly, Porter and Kramer “propose a new way to look at the relationship between business and society that does not treat corporate success and social welfare as a zero-sum game” (Porter and Kramer, 2006, p. 80). The opposite view is presented by Friedman, who claims that CSR activities have a negative influence on economic freedom because shareholders do not control how their money are spent. Friedman recommends focusing company’s activities on making profits and ignoring these activities which do not directly contribute to generating profits, including charitable actions (Friedman, 1962, pp. 133–135).

The basic idea of social responsibility is that it should have an impact on the growth of the company’s value. A statement that the CSR strategy is associated with additional costs, such as the implementation of CSR in this area is absolutely true. However, it should be noticed that the companies which implement socially responsible strategies have better positions from the perspective of the market competitiveness,
can define their long-term strategies and goals they want to achieve, but mainly they can achieve many long-term benefits and advantages because of CSR (Bartkowiak, 2011, pp. 77–82). A company becomes socially responsible when it is possible to get mutual benefits for all groups: employees, clients and organisations a company cooperates with. Therefore, there should be a relation between an increase in the value of a responsible company and an increase in satisfaction of all stakeholders (Skrzypczyńska, 2014, pp. 71–75).

3. CSR activities oriented towards employees

Socially responsible activities are responses to the specific needs and expectations of groups of interest considered to be company stakeholders (Kalinowska, 2012, p. 332). A stakeholder is a person or a group of people, who in a specific way is connected with a company and creates relationships with it. This group includes: employees, shareholders, customers, public sector and suppliers, but also media and interest groups (Ciliberti, Haan, Groot, and Pontrandolfo, 2011, pp. 885–894). Stakeholders can both directly and indirectly influence a company, its image, reputation, development and revenues. If a company wants to respond to stakeholders’ expectations in a proper way it is necessary to define them correctly (Nikolova and Arsić, 2017, p. 25). There can be also noticed an approach, which categorizes CSR into an internal and external dimension. The first one refers to intra-organisational aspects of CSR activities in a company. It includes occupational health and safety and human resources management. An external dimension refers to stakeholders outside a company i.e. suppliers, competitors, partners etc. (Rybak, 2004, pp. 44–45).

The employees’ opinion about a company depends on their perception of a company’s approach to them (Rok, 2004, p. 37). As the market success is determined by employees’ participation in achieving goals of a company, their engagement is a prerequisite for contemporary organisations (Żemigała, 2007, pp. 188–190). That is why a company should meet the employees’ needs and expectations. If the level of meeting these needs and expectations is high, then a possibility of reaching success by a company grows up, too. The reputation and corporate image are also determined by the scale and quality of company behaviours. Only ethically responsible companies can achieve a high level of motivation
Employees’ Knowledge of Corporate Social Responsibility Concept and Activities

of employees and their identification with a company (Turoń, 2016, pp. 40–41). Nowadays, people identify only with the companies, which provide financial stability and give stable employment in the long-term perspective. When these conditions are reached then the employees are able to fully engage in their work (Rok, 2004, p. 37).

Managers, who want to increase employees’ motivation and satisfaction should ensure the very specific conditions such as (Rok, 2004, p. 48; Turoń, 2016, p. 40):

– possibility of employees’ adaptation to a workplace;
– appropriate salaries and motivation system;
– conducting the employees’ trainings and creating the possibilities of employees’ development;
– creating occupational health and safety system;
– obeying the rules of labour laws and human rights.

As it was mentioned before, corporate social responsibility is based on the ethical approach to company’s stakeholders. Respecting labour law and human rights is a crucial factor of creating ethical working conditions. It means that a company provides equal chances and treatment in a workplace regardless of the race, religious aspect or sex (Mazurek-Łopacińska and Sobocińska, 2009, pp. 473–475). It also means that job positions are filled due to experience, knowledge and competences of the employees. This equality means everyone in a company occupies the position they fit the best (Kalinowska, 2012, p. 339).

In companies willing to be socially responsible, discrimination and mobbing are absolutely prohibited. The equal treatment of women and men should be also obeyed. It minimizes a risk of creating promotion barriers for women and provides equal and fair salaries for both women and men. A company implements a responsible strategy if makes efforts to eliminate all these barriers. It is very important if an employee feels he or she is treated equally in comparison with co-workers, regardless of the sex, nationality and beliefs (Kalinowska, 2012, pp. 339–340).

Creating procedures in personal policy may be listed among the manifestations of ethical behaviours to employees. An equal treatment in the recruitment process, motivating, rewarding and assessing the employees can be the examples of ethical human resources management (Zbiegień-Maciąg, 1996, pp. 64–96). Ethical recruitment process requires getting rid of any forms of nepotism in a company. The employees should be appointed to the positions in a company according to their experiences, abilities, competences and knowledge instead
of subjective decisions determined by friend or family relationships (Kalinowska, 2012, p. 335). Another example of corporate responsibility in relation to employees is creating the assessment system, which treats all the employees equally and establishes fair rules of rewarding employees. Such a system should be aimed at developing and motivating employees. A periodic assessment of employees’ work helps to compare their results and company’s goals and objectives. It also creates equal competitive conditions among co-workers and increases employees’ satisfaction index. These arguments present the advantages of creating the employees’ assessment system. It gives the profits for both a company and employees (Zbiegień-Maciąg, 1996, pp. 73–92).

In manufacturing companies, where negative conditions for health and life of employees may occur it is important to inform them about the dangers and develop procedures which can mitigate the negative impact of production processes on employees’ health. The negative effect can be minimized by conducting occupational health and safety trainings (Żychlewicz, 2014, pp. 88–92). It is very important to respect OH&S in the workplace, because it can have an impact on company’s success. This system improves a corporate image, increases employees’ capabilities and loyalty in relation to supervisors and customers of a company (Kalinowska, 2012, pp. 338–339). Managers should encourage the employees to understand and accept the idea of creating occupational and safety culture, because it is as important as achieving high quality of company’s products (Mazurek-Łopacińska and Sobocińska, 2009, p. 473).

Summarizing, there are a lot of benefits of corporate social responsibility activities towards company’s employees. The most important are (Turoń, 2016, pp. 38–45):

- higher employees’ motivation;
- better employees’ integration and identification with a company, its goals and values;
- developing good relationships and supporting local community by creating a positive environment inside and outside of a company;
- improving a company’s image, which is also created by employees;
- presenting a company as good workplace, where people want to work regardless the salaries;
- creating and developing a stable market position.
4. Context of the study

The research was conducted in Frauenthal Automotive Toruń (FTO), the Polish automotive company with foreign capital in its financial structure. The company was established in 1993 by a Swedish entrepreneur and taken over by an Austrian automotive corporation Frauenthal in 2007. (Historia firmy, [nd]). In consequence, although, the company is located in Poland it should be noticed the impact of West European management style, standards and culture, especially among top level management, what can be a critical factor concerning the approach to social responsibility issues.

FTO was chosen as a unit to conduct the questionnaire survey for two reasons. First of all, FTO is a good example of a socially responsible company. The positive attitude towards the concept of CSR and company stakeholders (i.e. employees, customers, suppliers and shareholders) is officially declared in “Company Management Declaration” (Deklaracja zarządu, [nd]). These declarations are confirmed by research completed in the company (cf. Lis, 2013; Skrzypczyńska, 2013). Secondly, FTO willingly cooperates with higher education institutions and participates in research projects. There are numerous examples of interesting empirical studies conducted in FTO related to the issues: positive organisational potential (Lis, 2013; Stankiewicz (Ed.), 2013), absorptive capacity and organisational learning (Lis and Sudolska, 2015; Lis and Sudolska, 2017) or business relationships (Glińska-Neweś, Sudolska and Escher, 2016; Brzustewicz, Escher and Petrykowska, 2017).

Manufacturing high-quality products is a way how the company tries to reach the needs of its customers. The effectiveness of company’s activities is proven by a fact that a half of all European trucks use the products offered by Frauenthal Automotive Toruń (Communication on progress, 2014). One of company’s responses to emerging expectations of stakeholders was modernisation of its machines and equipment in order to become more environment friendly. Moreover, this innovation gave the company a significant advantage due to process optimization and improvement of work efficiency (Communication on progress, 2012). The company makes the efforts to be very responsible towards its shareholders. Its operational and financial goals are focused on meeting the shareholders’ expectations.
FTO shows a high level of responsibility towards its employees which was recognised by awarding the company with “Fair Play Employer” prize. Nowadays, company employs 150 full-time staff living in the city of Toruń and neighbouring local communities. Among them there are over 40 white collars (management and administration) and over 100 blue collar workers. Being a member of the Global Compact requires from the company respecting human rights. The company is aimed at creating and implementing high working standards, where work environment is protected and corruption accidents do not exist (Communication on progress, 2014). The aforementioned principles are included in the company’s management statement.

The company perceives its employees as internal customers, who have a significant influence on all the stages of value adding process. FTO employees are responsible for implementing company quality policy and treating every co-worker as an internal client. It is a basic assumption of high quality of work. One of the most important tasks for the company is to improve occupational health and safety conditions. The company shares with its employees the information about OH&S standards and activities (Communication on progress, 2013). FTO prevents potential accidents in the workplace and protects its employees from occupational dangers. Moreover, it monitors a level of pollution emissions and the amount of generated wastes. In consequence, the company guarantees a high level of protection for employees and the natural environment (Communication on progress, 2013).

The company pays a lot of attention to raising employees’ awareness, knowledge and understanding of corporate social responsibility initiatives. It is achieved by training. Moreover, the employees take part in the company’s CSR activities within and outside the firm. They actively contribute to increasing product quality, protecting environment and improving working conditions.

The company is proud of and adheres to its values i.e.: creating value for customers, respecting every person, working in a team, and driving for continuous improvement. The aforementioned values support the company in achieving its goals and create a positive image of company among employees, customers, local communities and shareholders (Wartości firmy, [nd]). They can also be perceived as manifestations of the FTO social responsibility.
5. Method of study

The aim of the research was to analyse the employees’ knowledge of social responsible activities in the company. Data were collected through questionnaires consisting of closed questions. The employees participating in the survey received a short description of the main ideas of CSR and the conditions which defined the company as socially responsible. The questionnaire survey was conducted in 2016. Questionnaires were sent via e-mail (to administrative employees) or filled by paper and pencil method (by production workers). All the employees, regardless of the job position, received the same questionnaires.

The total amount of received questionnaires is 67 (35 from administration and 32 from production areas). The sample includes 44 employees, who have been working in the company for less than 10 years and 23 people with tenure longer than 10 years.

6. Research and discussion

Employees should know and additionally be aware of CSR activities undertaken by a company if the ideas of corporate social responsibility are to be considered as a part of its strategy. That is why the first question verifies the employees’ knowledge about CSR as a general issue. The respondents were asked if they knew some terms related to the CSR concept. The results are presented in Figure 1.

14 (44%) of administration employees answered that they heard about CSR before. Comparing with production workers, where CSR is known only by 5 respondents (14%), the administration employees in FTO have more knowledge about the issue than blue collars. The results are even much better, when employees with tenure longer than 10 years are analyzed. Among them, there are 12 (52%) respondents who know the issue. It is possible to notice a connection between CSR knowledge and the length of employment in the company. In total, 48 (72%) of the respondents have not heard about CSR, and only 19 (28%) of them know the issue.

The next issue, which should be known for employees in a socially responsible company is the definition of the ‘sustainable development’ approach. The detailed analysis of the situation among FTO employees is presented in Figure 2.
Figure 1. Employees’ knowledge about the corporate social responsibility concept
Source: own work.

Figure 2. Employees’ knowledge about sustainable development
Source: own work.
The findings presented in Figure 2 indicate that the employees have different knowledge about sustainable development issues. Three-fourths of administration employees claim they heard about sustainable development before. Only 5 (14%) of production workers is able to define the issue. In total, the majority of employees (57%) do not know the term. In this situation, the employees with short and long tenure respond very similarly. In both groups of respondents, 43% (tenure shorter than 10 years – 19; tenure longer than 10 years – 25 people) of the interviewees know sustainable development and 57% (tenure shorter than 10 years – 10; tenure longer than 10 years than 10 years – 13 people) of them answer in an opposite way.

This paper includes a lot of explanations why employees are a very important group of stakeholders. The next question is to verify if the company’s employees know this term. The findings are presented in Figure 3.

Figure 3. The knowledge of the stakeholders concept among the employees
Source: own work.
The majority of the employees participating in the survey (76%) do not know who stakeholders are. The reason of this situation is mainly the lack in knowledge among production employees. None of them is able to explain who stakeholders are. What is interesting, the employees who work longer in FTO have worse results than the employees with a short tenure. In the first group 4 (17%) of employees claim that they know who stakeholders are. 12 (27%) of employees who work in FTO 10 years or shorter are able to define stakeholders.

The next questions verifies if the employees are able to point out a socially responsible company. The respondents’ answers are presented in Figure 4.

![Figure 4](image)

**Figure 4.** The ability of the employees to point out a socially responsible company  
Source: own work.

Generally, employees have problems to identify a company, which can be labelled as socially responsible in their opinion. 37 workers (55%) claim that they are not able to point out a company, which implements a CSR strategy. Once again, production employees have the highest rate of negative answers. More than 50% (18 people) of administration employees point out that they know a socially responsible
company, but only 17% of production workers (4 people) declare they are able to indicate such an organisation.

The next question checks if it is important for the employees to work for a socially responsible company. The results of analysis of this issue are presented in Figure 5.

![Figure 5](image)

**Figure 5.** The meaning and importance of working for a socially responsible company

Source: own work.

39 (58%) of the employees claim that it is important for them to work for a socially responsible company, 10 employees (15%) disagree with this statement and 18 (27%) of employees do not have opinion about that. The situation is even more unequivocal, when the length of service is analysed. Almost 80% of long-term employees have a positive attitude to this issue. It means that the employees, who have been working in the company for more than 10 years feel the need of belonging to a company, which cares about its stakeholders. It should be also noticed that 21 (48%) of the employees with a short tenure claim that it is important for them to work in a socially responsible company.
Thanks to the questionnaire, it is possible to verify if business is a place for ethical behaviours in the opinion of the employees. The results are presented in Figure 6.

![Figure 6. A business as a place of ethical behaviours according to the employees’ opinions](image)

Source: own work

There can be noticed a big disproportion between the responses provided by administration and production employees. 28 (88%) of administration employees agree that business is a place where ethical behaviours are practised, but only 3 (9%) of production workers answered to this question in a positive way. Moreover, more than 50% of production workers disagree and 40% of production workers do not have their opinion. In total, 46% of FTO employees think that business is a right place for ethical behaviours, 30% disagree with that statement, and 24% answer that they do not know.
7. Conclusions

Summing up, the survey conducted in Frauenthal Automotive Toruń shows that the employees’ knowledge about issues related to the CSR concept is limited. The respondents usually do not know such terms as CSR, sustainable development or stakeholders. However, administrative employees show more acquaintance with the studied issues than production workers and in most of cases, employees with longer tenure have better results than remaining staff. It is also problematic for employees to point out a company, which is socially responsible. Optimistic is the fact that most of the respondents claim that a business is a place for ethical behaviours and it is important for them to work in a company, which is socially responsible.

The aforementioned findings should be analysed in the given context. Fraunethal Automotive Toruń is recognised as a company showing a high level of positive organisational potential (cf. Lis, 2013) and corporate social responsibility (cf. Skrzypczyńska, 2013). Therefore, on the one hand, formal knowledge of CSR issues and related concepts such as sustainable development or stakeholders among the company employees seems not to be satisfactory. However, on the other hand, their awareness and understanding of importance of working for a socially responsible company and the role of ethical behaviours in the workplace contribute to a more optimistic picture.

The mentioned above contextuality of the study should be considered among its limitations. As the survey was conducted only in one company and due to the limited number of informants, the findings cannot be generalised. Nevertheless, the study may be considered as the first attempt to assess the level of awareness and understanding of corporate social responsibility issues in companies. Therefore, it is recommended to replicate the research in other organisations in order to increase its objectivity. Moreover, the analysis of the root causes of the identified situation is recommended as another line of effort in further research. Identifying root causes could make a foundation for generating recommendations for managers to implement remedial actions aimed at increasing the employees’ awareness of corporate social responsibility ideas.
References


Employees’ Knowledge of Corporate Social Responsibility Concept and Activities 93


**Company references**

“Communication on progress” (2012), Frauenthal Automotive Toruń, Toruń, unpublished report.
